

ADVISORY OPINION 2004-004

Any advisory opinion rendered by the registry under subsection (1) or (2) of this section may be relied upon only by the person or committee involved in the specific transaction or activity with respect to which the advisory opinion is rendered. KRS 121.135(4).

July 30, 2004

No on the Amendment
Attn: Andrea Hildrebran
Fundraising Director
P.O. Box 2904
Louisville, KY 40201-2904

Dear Ms. Hildrebran:

This is in response to your letter dated June 25, 2004, requesting an advisory opinion on behalf of NO on the Amendment Committee regarding a proposed contribution of stock to a political issues committee.

You ask the following question:

Specifically, is a political issues committee permitted to accept a stock transfer from a contributor, if the stock is sold for the purpose of generating proceeds to be used to support the issue advocacy agenda of the committee?

Under KRS 121.015(6) a contribution includes any payment, distribution, loan, deposit, or gift of money or other thing of value to a committee. Clearly, the transfer of stock from an individual to a political issues committee would constitute a contribution.

Andrea Hildrebran
NO on the Amendment
Advisory Opinion 2004-004
July 30, 2004
-2-

Therefore, the question is whether such a contribution, if accepted, would be lawful under Kentucky campaign finance law.

In Advisory Opinion 1999-001, the Registry opined that it was lawful under KRS Chapter 121 for a committee to invest its funds in securities through an investment fund, including mutual funds that invest in stocks. Similarly, there is nothing in KRS Chapter 121 that would preclude a political issues committee from accepting a contribution in the form of stock. Such a contribution must be reported pursuant to KRS 121.180(3). Once accepted, the stock becomes the property of the committee, and may be sold and expended for any allowable purpose under KRS 121.175.

This advisory opinion represents the Registry's consideration of the circumstances presented in your letter. If you have any further questions, please do not hesitate to contact the Registry's staff.

Sincerely,

Rosemary F. Center
General Counsel

RFC/jh

Cc: Registry Members
Sarah M. Jackson, Executive Director